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FILED

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CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

BY:

DEPUTY

IN THE UNITED STATES DISTRICT COURT FOR THE  
SOUTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA

Plaintiff,

v.

CHRISTOPHER ARMSTRONG;  
WASHINGTON MUTUAL BANK; and  
CHUONG TRAN,

Defendants.

Civil **08 CV 0069 H CAB**

THE UNITED STATES' COMPLAINT TO  
REDUCE FEDERAL TAX ASSESSMENTS  
TO JUDGMENT AND TO FORECLOSE  
FEDERAL TAX LIENS

1. This is a civil action to reduce federal tax assessments against Defendant Christopher Armstrong to judgment and to foreclose federal tax liens against certain real property.

2. This action is brought at the direction of the Attorney General of the United States and at the request of, and with the authorization of, the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, pursuant to 26 U.S.C. §§ 7401 and 7403.

3. The Court has jurisdiction over this action pursuant to 26 U.S.C. § 7402 and 28 U.S.C. §§ 1340 and 1345.

CP

1 4. Venue is proper in the Southern District of California under 28 U.S.C. §§ 1391(b) and  
2 1396 because Christopher Armstrong resides in this judicial district and the real property which the  
3 United States seeks to foreclose is located within this judicial district.

4 DEFENDANTS

5 5. Christopher Thanh Nguyen Armstrong resides within this district.

6 6. Washington Mutual Bank is named as a defendant in this action because it may claim an  
7 interest in the real property that is the subject of this action.

8 7. Chuong Tran is named as a defendant in this action because she may claim an interest in  
9 the real property that is the subject of this action.

10 THE SUBJECT PROPERTY

11 8. The real property that is the subject of this action ("the Subject Property") is located at  
12 4180 44th Street, San Diego, California 92105., and is legally described as follows:

13 LOT 44 AND THE SOUTH 12 ½ FEET OF LOT 45 IN BLOCK 56 OF FAIRMONT  
14 ADDITION TO CITY HEIGHTS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN  
15 DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1035,  
FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY.

16 9. Christopher Armstrong first acquired title to the Subject Property on or about June 6,  
17 2001.

18 10. On or about July 31, 2003, Christopher Armstrong transferred bare-legal title to the  
19 Subject Property to Chuong Tran for little or no consideration.

20 11. On or about April 21, 2005, Chuong Tran recorded a quitclaim deed with the County  
21 Recorder's Office of San Diego County, California, transferring any interest she had in the Subject  
22 Property back to Christopher Armstrong.

23 ///

24 ///

**FIRST CLAIM FOR RELIEF**  
**TO REDUCE FEDERAL INCOME TAX ASSESSMENTS AGAINST**  
**CHRISTOPHER ARMSTRONG TO JUDGMENT**

12. On the dates indicated below, a duly authorized delegate of the Secretary of the Treasury, made assessments for the amounts and tax periods set forth against Christopher Armstrong for unpaid federal income taxes, penalties, interest and other statutory additions:

<b>TAX TYPE</b>	<b>TAX PERIOD</b>	<b>ASSESSMENT DATE</b>	<b>UNPAID BALANCE, INCLUDING TAX, INTEREST, AND PENALTIES<sup>1</sup></b>
1040	1994	09-02-2002	\$118,980.81
1040	1995	09-02-2002	\$154,091.75
1040	1997	07-20-1998	\$3,074.38
1040	1998	09-13-1999	\$23,625.56
1040	2000	07-09-2001	\$32,363.05
1040	2001	10-06-2003	\$22,320.78

13. Despite timely notice and demand for payment of the assessed amounts described in paragraph 12 above, Christopher Armstrong failed or refused to pay the assessed amounts to the United States. As of December 31, 2007, the unpaid balance due and owing of the assessments, accrued interest, and other additions as provided by law was \$354,456.33.

**SECOND CLAIM FOR RELIEF**  
**TO REDUCE FEDERAL TRUST FUND RECOVERY PENALTY ASSESSMENTS AGAINST**  
**CHRISTOPHER ARMSTRONG TO JUDGMENT**

14. On the dates indicated below, a duly authorized delegate of the Secretary of the Treasury, made assessments for the amounts and tax periods set forth against Christopher Armstrong for trust fund recovery penalties under 26 U.S.C. § 6672, interest and other statutory additions:

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<sup>1</sup> Accrued interest and penalties are calculated through December 31, 2007

TAX TYPE	TAX PERIOD	ASSESSMENT DATE	UNPAID BALANCE, INCLUDING TAX, INTEREST, AND PENALTIES <sup>2</sup>
6672	March 31, 2002	12-12-2005	\$1,989.04
6672	June 30, 2002	12-12-2005	\$6,169.68
6672	September 30, 2003	12-12-2005	\$4,082.31
6672	December 31, 2003	12-12-2005	\$5,859.75

15. Despite timely notice and demand for payment of the assessed amounts described in paragraph 14 above, Christopher Armstrong failed or refused to pay the assessed amounts to the United States. As of December 31, 2007, the unpaid balance due and owing of the assessments, accrued interest, and other additions as provided by law was \$18,100.78.

THIRD CLAIM FOR RELIEF  
TO FORECLOSE FEDERAL TAX LIENS AGAINST PROPERTY  
HELD BY CHRISTOPHER ARMSTRONG

16. The United States incorporates the allegations from paragraphs 1 through 15, above.

17. Pursuant to 26 U.S.C. § 6321 and § 6322, liens arose in favor of the United States on the dates of the assessments set forth in paragraphs 12 and 14 above and attached to all property and rights to property of Christopher Armstrong including the Subject Property.

18. On or about August 4, 2003, a delegate of the Secretary of Treasury recorded in the County Recorder's Office of San Diego County, California, Notices of Federal Tax Lien against Christopher Armstrong for his unpaid federal income tax liabilities for the 1994, 1995, 1997, 1998, and 2000 tax years.

19. On or about December 8, 2003, a delegate of the Secretary of Treasury recorded in the County Recorder's Office of San Diego County, California, Notices of Federal Tax Lien against Christopher Armstrong for his unpaid federal income tax liabilities for the 2001 tax year.

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<sup>2</sup> Accrued interest and penalties are calculated through December 31, 2007.

20. On or about January 24, 2006, a delegate of the Secretary of Treasury recorded in the County Recorder's Office of San Diego County, California, Notices of Federal Tax Lien against Christopher Armstrong for his unpaid § 6672 penalties for the tax periods ending March 31, 2002; June 30, 2002, September 30, 2003, and December 31, 2003.

WHEREFORE, the United States prays that:

A. Judgment be entered against Christopher Armstrong and in favor of the United States, less any payments or credits for the unpaid federal income tax liabilities owed for the 1994, 1995, 1997, 1998, 2000, 2001 tax years in the amount of \$354,456.33 plus interest and other statutory additions allowed by law from December 31, 2007;

B. Judgment be entered against Christopher Armstrong and in favor of the United States, less any payments or credits for the unpaid trust fund recovery penalty assessments owed for the periods ending March 31, 2002; June 30, 2002; September 30, 2003; and December 31, 2003, in the amount of \$18,100.78 plus interest and other statutory additions allowed by law from December 31, 2007;

C. The Court find that the United States has valid and subsisting liens by virtue of the assessments set forth in paragraphs 12 and 14 above, on all property and rights to property belonging to Christopher Armstrong including the interest in the Subject Property;

D. The Court order that the federal tax liens against Christopher Armstrong be foreclosed upon his interest in the Subject Property, that the Subject Property be ordered sold, that the proceeds from such sale be distributed in accordance with the Court's findings as to the validity and priority of the liens and claims of all parties, and that a deficiency judgment be entered against Christopher Armstrong to the extent that the sale of the Subject Property fails to satisfy his unpaid federal tax liabilities; and

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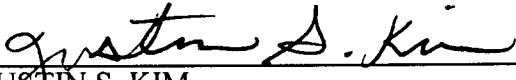
1 E. The United States be awarded its costs for prosecuting this action and any other relief  
2 deemed proper by the Court.

3 Dated: January 3, 2008

4 Respectfully submitted,

5 KAREN P. HEWITT  
6 United States Attorney

7 TOM STAHL  
8 Assistant United States Attorney

9   
10 JUSTIN S. KIM  
11 Trial Attorney, Tax Division  
12 U.S. Department of Justice  
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JS 44 (Rev. 3/99)

## CIVIL COVER SHEET

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM)

**I (a) PLAINTIFF**

UNITED STATES OF AMERICA

**(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF**

(EXCEPT IN U.S. PLAINTIFF CASES)

**DEFENDANTS**CHRISTOPHER ARMSTRONG; WASHINGTON MUTUAL BANK;  
and CHUONG TRAN,

COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT

San Diego

DEPUTY

**(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)**Justin S. Kim  
U.S. Department of Justice, Tax Division  
P.O. Box 683, Ben Franklin Station  
Washington, DC 20044 (202) 307-0977**ATTORNEYS (IF KNOWN)**

'08 CV 0069 H CAB

**II. BASIS OF JURISDICTION**

(PLACE AN "X" IN ONE BOX ONLY)

- ☒ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question U.S. Government Not a Party
- ☐ 4 Diversity (Indicate Citizenship of Parties in item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (For Diversity Cases Only)

PTF DEF

PTF

**DEF**

- Citizen of This State ☐ 1 ☐ 1 Incorporated or Principal Place of Business in This State ☐ 4 ☐ 4
- Citizen of Another State ☐ 2 ☐ 2 Incorporated and Principal Place of Business in Another State ☐ 5 ☐ 5
- Citizen or Subject of a Foreign Country ☐ 3 ☐ 3 Foreign Nation ☐ 6 ☐ 6

**IV. NATURE OF SUIT** (PLACE AN "X" IN ONE BOX ONLY)

CONTRACT	TORTS	FORFEITURE/PENAL	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury  <b>PERSONAL INJURY</b> <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability  <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other  <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157  <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark  <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395f) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))  <b>FEDERAL TAX SUITS</b> <input checked="" type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS - Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reappointment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer influenced and Corrupt Organizations  <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange  <input type="checkbox"/> 875 Customer Challenge 12 USC 3410  <input type="checkbox"/> 891 Agriculture Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice  <input type="checkbox"/> 950 Constitutionality of State Statutes <input type="checkbox"/> 990 Other Statutory Actions
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 440 Other Civil Rights	<b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <b>HABEAS CORPUS:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition		

**V. ORIGIN**

(PLACE AN "X" IN ONE BOX ONLY)

- ☒ 1. Original Proceeding ☐ 2. Removed from State Court ☐ 3. Remanded from Appellate Court ☐ 4. Reinstated or Reopened ☐ 5. Transferred from another district (specify) ☐ 6. Multidistrict Litigation ☐ 7. Appeal to District Judge from Magistrate Judgment

**VI. CAUSE OF ACTION** (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE BRIEF STATEMENT OF CAUSE. DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY.)

Complaint to Reduce Federal Tax Assessments to Judgment and to Foreclose Federal Tax Liens pursuant to 26 U.S.C. §§ 7401, 7403

**VII. REQUESTED IN COMPLAINT:**CHECK IF THIS IS A CLASS ACTION  
☐ UNDER F.R.C.P. 23

DEMAND \$372,557.11

CHECK YES only if demanded in complaint:  
JURY DEMAND: ☐ YES ☒ NO**VIII. RELATED CASE(S) IF ANY**

(See Instructions):

(filed herewith)

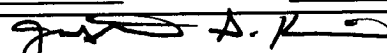
JUDGE

DOCKET NUMBER

DATE FOR OFFICE USE ONLY

1/3/07

SIGNATURE OF ATTORNEY OF RECORD



RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE